AN APPRAISAL OF PROBLEMS AND PROSPECTS OF FOOD PROCESSING INDUSTRY IN BELGAUM

synopsis

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Session

Submitted By
Prof. Hiramani J. Molerakhi
Bhawakai Galli kakati
Tal/Dist: Belgaum
Pin: 591113
Cell No: 09448941748, 08495066717

Supervised by
Dr. R. V. Ghadge M.com, PhD
Shivaji College Renapur

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1: INTRODUCTION

Human Resource holds a key position in the development of its organization. The capable, motivated and competent man power makes industry to grow and achieve goals. The success or failure of an organization depends on its people. Development of employees according to its organization requirements and better scope to talented employees, upgrading and enhancing their skills, knowledge, and ability is real strength of its organization.

Human Resource Management has a place of great importance in every sector especially Food Processing. According to Peter F Drucker," The proper or improper use of the different factor of production depends on the wishes of the human resources. Hence, besides other resources, human resources need more development. Human Resources can increase co-operation but it needs proper and efficient management to guide it."

Some scholars have compared human brain with human resource management – the brain directs all the parts the human body if it is not well the best parts of the body become inactive. Likewise an efficient human management takes work from the whole personnel and gains the objectives. Lawrence A Appley has stressed that if management agrees to this truth that management means the development of the personnel and pay attention to human resources properly, then many problems relating to management will be solved by themselves and many difficulties will not arise. R M Aldrich calls the Human Resources Management as the nervous system i.e. an integral part of the process of management itself.

Human Resource Management practices are directly correlated to changes in global trends and it has to face major challenges to get higher level of achievements and survive against such changes are:

1) Global Competition
2) Changing profile of employees
3) Changing Technology
4) Influence of external environment
5) Innovation in motivation

It is responsibility of management to respond to the above changes timely and effectively.

The study involves an examination of HRM in FPI units working in Belgaum. The food processing is an extension of agriculture activities and involve value addition to its output. The studies relating to food processing can broadly be classification in to two groups . i.e.,

-Technical

-Non-technical i.e. activities which are relating to development of FPI Units.

Technical work has so far concentrated on technology requirement, input-output relations, HR, machinery requirements etc. These are umpteen number of done by individuals, institutions, Non Govt. organization, Governments and agencies etc. A review of such works is beyond the objective of the study.

Non-technical studies basically involves, financial and market related, The financial studies are with regard to cost benefit-analyses of individual products like, pickles, grapes, chilies sugar, milk products etc. The market related studies have evaluated various marketing problems, prospects and strategies needed to push or augment processed food items in India.

The present study is basically- both Technical and non-technical, in the sense, it concentrates on HRM, financial and market. Being financial and market, the study has made an exhaustive review of a few of the important studies and works with a view to identify the trend and progress of research work in sector, especially on development line

Employee performance, satisfaction and organizational effectiveness depend on how well employers have been identified, appointed and retained in organizations. Human resource policies and practices assume relevance

A human resource policy is a plan of action. It is a statement of intention committing management to a general course of action. Organizations formulate and adopt policies as they, among other benefits, ensure consistent treatment of all employees and continuity of action.

Human resource management helps systematically forecast an organizations future demand for, and supply of employees. With human resource management on the table, the personnel manager can better plan his recruitment, selection, training, career planning, and other activities.

----Job analysis is the process of collecting job related data. The process of job analysis result in two sets of data: job description and job specification. Job description specifies what the job does involve. Job specification prescribes the qualification, skill and abilities which the job holder must possess.

--- Recruitment is the process of searching for and obtaining applicants for job from who right people can be selected. The main purpose of recruitment is to build up a pool potentially qualifies job candidates.

A firm has multiple sources of recruitment. Some of them are external and other are internal to the firm. External sources are more in number than internal sources.

Selection is the process of picking individuals with requisite qualifications and competence to fill jobs in the organizations. Selection is the long-drawn process involving such important activities as tests, interviews, and reference checks.

After an applicant has been hired, he or she must be oriented and placed on the chosen job. Orientation is designed to provide a new employee with the information he or she needs to function effectively in the organization. Placement refers to the assignment of an employee to a new job.

Now that the employee is placed on the job, he or she needs training to perform his or her duties effectively. Any training programmers must include such inputs as skills, education, ethics, attitudinal changes and problem solving abilities. There are training methods some of which are on-the-job and others away from the job.

For having worked on a given job, the employee deserves remunerations. Remuneration is what the employee receives in , exchange for his or her contribution to the organization. Remuneration of employee includes wage and salary, incentives, fringes, perks and non monetary benefits.

When an employee is working on a job, his or her performance must be assessed periodically. Performance appraisal is done effecting promotions, decide pay rises and to confirm probationary employees. Appraisal method is varied- they are either past oriented or future oriented. After the performance has been assessed, the rater should let the rate knew where he or she stands in rating.

Closely related to performance appraisal is job evaluation. In job evaluation all the jobs are analyzed systematically in order to ascertain their relative worth. Wage differentials are determined depending on relative worth of each job. There are analytical and non-analytical methods of job evaluation, the former proving to be more systematic and effective.

An industrial relation is concerned with the relationship between management and workers and the role of regulatory mechanism in resolving any dispute. Disputes arise for many reasons, such as wage demands, union rivalry, political interference and unfair labour practices. Of all the methods resolving disputes, collective bargaining is the most effective one.

However, in recent years, the importance of food processing industries are being increasingly recognized both for generation of income and for generation of employment. India is the world's second largest producer of food next to china , and has the potential of being the biggest with the food and agricultural sector. The agriculture has been the sources of supply of raw materials to our leading industries, cotton and jute textile industries, sugar, vanspati, food processing industries and plantations – all these depends on agriculture directly. There are many other industries which depend on agriculture in an indirect manner.

total Food processing in India is likely to double in the next ten years and there is an opportunity for large investment in food and food processing technologies, skills and equipment, especially in area of canning dairy and Food Processing . Specially processing- Food / refrigeration and thermo processing. Fruits and vegetable, Fisheries, milk and milk products, Meat and poultry, packaged /

convenience foods, Alcoholic beverage and soft Drinks and food-grains are important Sub-sectors of the food processing industry.

A health food and health food supplement is another rapidly rising segment of this industry is gaining vast popularity amongst the health conscious.

India's Food Processing Sector covers fruits and vegetable, meat poultry milk and milk products, alcoholic beverage, fisheries, plantation, grain processing and other consumer product groups like confectionery chocolates, and coco products. Soya-based products, mineral water, high protein food etc.

The most promising sub-sectors include soft-drink bottling, confectionery manufacture, fishing aquaculture, gain-milling and grain based product.

Meat and poultry processing, Alcoholic beverage, milk processing, Tomato paste, fast food, Ready-to-eat breakfast cereals, food additives, flavors etc.

The basic foods are conveniently divided in to eight groups, Every food groups is a good source of two or more nutrients and as such deserves to be included in every meal to maintain health.

India's middle class segments will holds the key to success or failure of the processed food market in India.

Agriculture forms the back bone of the Indian Economy and despite concerted Industrialization in the last five decades, agriculture occupies a place of pride. Being, the largest Industry in the country, agriculture provides employment to around 65% of the total work force in country.

Statistics reflects that FPI rank fifth in its contribution to value addition but tops the list in term of employment generation with approximately 1.50 million persons employed in the sector constituting 19 percent of the total number of country's industrial lab our. With only 5.20 percent of the total number industrial investment, the sector contributes 18 percent to the Gross Domestic products (GDP) According to a recent study on the food processing sector, the turnover of the total food market is estimated approximately at Rs. 2,50,000 crore (US$ 69.40 billion), out of which value added food products comprises Rs. 30,000 crore (US$ 22.20 billion).

Thus, considering the agriculture base of the country, sugar fish products, oil and oil seeds, milk and milk products have the highest potential for development. But this process requires advanced technologies which allow the FPI units to encourage establishment of such units close to the area of production (rural) to avoid wastage and transportation of row material to far away places and to ensure increased value addition to agricultural produce.

2. **Literature Review**

Social science research, being an applied research, is not done in vacuum. It involve an exhaustive review of various studies and works already done. The present study is a part of applied social science research .

The study determinants of the implementation of a formal system of performance appraisal using a Spanish sample of manufacturing establishments. Besides analyzing the variables that influence the probability that an employer adopts such system, They take into account certain relevant dimensions of the process of appraisal. In particular, they analyze the determinants of the use of evaluation based on objective and subjective measures of performance, the person who carries out the appraisal and the frequency of the practice. We find that the use of pay based on individual results, the provision of training, the presence of a HR department and the size of the establishment are significantly correlated with the probability of implementing performance appraisal. Moreover, his results highlight the importance of studying performance appraisal from a multidimensional perspective.

The new global environment for food trade places considerable obligations on both importing and exporting countries to strengthen their food control systems and to implement enforce risk-based food control strategies.

Consumers are taking unprecedented interest in the way food is produced, processed and marketed, and are increasingly calling for their Governments to accept greater responsibility for food safety and consumer protection.

The Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO) have a strong interest in promoting national food control systems that are based upon scientific principles and guidelines, and which address all sectors of the food chain.

India's food production today ranks next only to China's and is equal to that of the U.S. It is a $70 billion industry now and by 2010 this is expected to double. The value added food segment will grow at a faster rate, rising from $20 billion to $70 billion during this period. Higher agricultural yields will raise incomes and open up new markets and job opportunities. The food processing industry (FRI) is likely to grow three-fold in the five years.

Agriculture accounts for about 1/4th of the Indian economy but employs about 2/3rd of its population. India has about 161 million hectares of arable land of which 55 million is irrigated. Considering these
factors, it is clear that there is immense potential for the agriculture sector, and therefore the food

This is particularly important for developing countries as they seek to achieve improved food safety, quality and nutrition, but will require a high level of political and policy commitment.

In many countries, effective food control is undermined by the existence of fragmented legislation, multiple jurisdictions, and weaknesses in surveillance, monitoring and enforcement. These guidelines seek to provide advice to national authorities on strategies to strengthen food control systems to protect public health, prevent fraud and deception, avoid food adulteration and facilitate trade. They will enable authorities to choose the most suitable options for their food control systems in terms of legislation, infrastructure and enforcement mechanisms. The document delineates the overarching principles of food control systems, and provides examples of possible infrastructures and approaches for national systems.

Human Resource Planning (HRP) is a process of systematically reviewing human resource needs to ensure that the required number of employees, with the required skills, experience and competencies, is available for the right jobs at the right time at the right cost.

This process is preceded by strategic planning. During the strategic planning process, top management and the executing authority determine the department's strategic objectives and how they are to be achieved. Human resources play a critical role in the strategy implementation process because their commitment and competencies will largely determine whether or not a department will be able to achieve its objectives.

Many organizations do not assess either the short- or long-term consequences of their HRM programs or activities. A recurring theme of the book is that **measurement and accountability are key components to organizational effectiveness and competitive advantage**. Good measurement, allied with

business strategies, will help organizations select and improve all of their HRM activities and provide a much stronger connection between HRM activities and organizational effectiveness.

Human resource management helps systematically forecast an organizations future demand for, and supply of employees. With human resource management on the table, the personnel manager can better plan his recruitment, selection, training, career planning, and other activities.

Human Resources Management is based include Human Relations psychology, Strategic Management theory, and the doctrines of quality and flexibility. The relative emphasis that is accorded to each of these themes can give rise to different 'variants' of Human Resources Management. In particular, it is possible to identify two extreme positions.

Human resources management' became popular in the UK at the latter half of the eighties and at the beginning of the nineties

The central objective of Human Resources Management policy is to secure the commitment of employees to innovation and commitment of employee innovation and continual improvement of product quality.

The importance of the fast-food sector as a specialized subsector of the hospitality property market cannot be understated. They argue, however, that appraisers involved in this area need to understand the business of fast food, as it is the business that determines the level of the cash flow. The going-concern value of any hospitality property is as much influenced by competitive position in terms of its business as it is by real estate parameters. The real estate component of such a business cannot be valued without some knowledge of the business component.

Indian Many of our small-scale and cottage industries like handloom weaving , oil crushing, rice husking etc. depend upon agriculture for their raw materials together they account for 50% of income generated in the manufacturing sector in India.

3. NEED FOR THE STUDY

Over the last decade, the Karnataka state has been in the limelight for its innovative policies towards agriculture and industry in general and food processing sector in particular. In fact, Karnataka is the first state in India to announce an exclusive and exhaustive policy for food processing sector in this Karnataka state Belgaum, where 66% of its workforce directly and indirectly depends on agriculture.

The District has developed a well-established network of institutions on its own or has encouraged the establishment of private organizations in FPI sector. The units are expected to perform exceptionally well to live up to the expectations. The operational and financial performance should be encouraging for new units to enter and for Government to announce many more incentives and packages to develop the sector. Moreover, good working of the units helps units themselves. Satisfactory revenue and profits realizations enable them to finance capacity and business diversification plan and pay attractive prices to growers. The value addition depends on quality of out turn the units produce. The quality of final products in turn depends on technology employed. A modern hi-tech technology ensures quality and higher price recovers. The financial resources generated internally are the best acquiring modern and innovative technology by the units. The financial and various operational policies all pay the deciding role in shaping the future of the sector.

However, the working of food processing sector in the state is found to be unsatisfactory and has failed to produce desired results, defeating the confidence reposed by planners, administrators and farmers on this sector. The units instead of generating operating profits for development and growth have become loss making units, The majority of units in the sector depends on the government's subsidy or on borrowed capital. The large amounts of accumulated operating losses and heavy interest burden have severely impeded the orderly growth of the sector in the District.

Application of sound management principles in general and industrial Development activities in particulars is hardly attempted in the sectors. The industrial development is a specialized activity which mobilizes funds from cost-effective sources and deploys them to highly return

maximizing areas. The discipline continuously monitors the return and risk involved in every activity or field and guides business suitably. The application of sound Industrial development principle is the need of the hour in FPI sector. Being the forerunners of economic and social development in the country, the sector is expected to emancipate the living conditions of farers and standard of living and food habits of both rural and urban consumers. The application of industrial development techniques assures proper management and running of FPI units.

In view of significance of Industrial development and financial performance, in this study an attempt has been made to diagnose or evaluated how for selected FPI units in Belgaum are achieving to the principles of Industrial development and how for their financial performance is in concurrence with their objectives.

4.Scope of the Study

The importance of food processing industries are being increasingly recognized both for generation of income and for generation of employment. India is the world's second largest producer of food next to china , and has the potential of being the biggest with the food and agricultural sector.

- This study will provide the skills, knowledge and ability
- Assess the value added elements of the service you supply
- Measure HR's contribution to the organization
- Apply competency based performance management criteria to ensure the competencies required of job holders in your organisation is clear and measurable
- Assess the benefits of a competency based approach to recruitment and succession planning

Identifying the effectiveness of employee development activities and addressing return on investment issue

The food processing sector is highly fragmented industry, it widely comprises of the following sub-segments: fruits and vegetables, milk and milk products, beer and alcoholic beverages, meat and poultry, marine products, grain processing, packaged or convenience food and packaged drinks. A huge number of entrepreneurs in this industry are small in terms of their production and operations, and are largely concentrated in the unorganized segment. This segment accounts for more than 70% of the output in terms of volume and 50% in terms of value. Though the organized sector seems comparatively small, it is growing at a much faster pace.

The Human Resources Management (HRM) function includes a variety of activities, and key among them is deciding the staffing needs of an organization and whether to use independent contractors or hire employees to fill these needs, recruiting and training the best employees, ensuring they are high performers, dealing with performance issues, and ensuring your personnel and management practices conform to various regulations. Activities also include managing your approach to employee benefits and compensation, employee records and personnel policies. Usually small businesses (for-profit or nonprofit) have to carry out these activities themselves because they can't yet afford part- or full-time help. However, they should always ensure that employees have—and are aware of—personnel policies which conform to current regulations. These policies are often in the form of employee manuals, which all employees have.

Note that some people distinguish a difference between HRM (a major management activity) and HRD (Human Resource Development, a profession). Those people might include HRM in HRD, explaining that HRD includes the broader range of activities to develop personnel inside of organizations, including, e.g., career development, training, organization development,

In simple terms, an organization's human resource management strategy should maximize return on investment in the organization's human capital and minimize financial risk.

Human resource managers seek to achieve this by aligning the supply of skilled and qualified individuals and the capabilities of the current workforce, with the organization's ongoing and future business plans and requirements to maximize return on investment and secure future survival and success.

In ensuring such objectives are achieved, the human resource function is to implement an organization's human resource requirements effectively, taking

into account federal, state and local labor laws and regulations; ethical business practices; and net cost, in a manner that maximizes, as far as possible, employee motivation, commitment and productivity.

OBJECTIVES OF STUDY

Belgaum is gifted with fertile land and adequate rainfall. The Belgaum is known for development in Agricultural fruit and vegetable are grown in Belgaum rapidly at economic cost. Many food industries have come up in and around Belgaum for take advantage of it.

The present study has the following objectives

a) To study the reason for establishment of food Processing Industries in and around Belgaum;
b) To study progressive trends in those industries;
c) To know the details in respect of strength and weaknesses of Food Processing Industries.
d) To analyses the need, growth and development of Food Processing sector in India and Belgaum.
e) To know the details in respect of human resource management in food processing industries.
f) To know the human values in food processing industries.
g) To know the need and requirement of HRM in FPI
h) To offer useful suggestion

5. RESEARCH METHODOLOGY

The present study is a diagnostic study basically based on the combination of primary as well as secondary data. Primary data are obtained from each industry , employee and survey. And secondary data which shall be collected from published sources . Such as Research magazine, Library Books, News Papers and Questionnaires.

“An attempt has been made to collect information on industrial development, great provisions to develop food processing industries, by verifying suitable study among the selected industries and the concerned web-site will be visited for collecting the required information, in the time period of 2 years

Selection of sample Size

Belgaum district is selected for case study, because researcher hails from Belgaum city. So the convenience for research work in the matter of time, energy and fund is also the importance factor while selecting the Belgaum district as research area. Belgaum is the fifth richest district in Karnataka with 10 talukas. For studying the profile of the FPI (food processing industries) a sample survey is carried. The details of the sample size presented in table 1.1

Table 1.1

Sample Size

Sl No	Name of the taluka (Each taluka one unit)	Total No of Employees	Sample Size	No of Respondent
O1	Belgaum (one unit)	10	5% / above	10
02	Khanapur (one unit)	10	10% / above	10
03	Bailhongal (one unite)	10	10% / above	10
04	Chikkodi (one unit)	10	10% / above	10
05	Gokak (one unit)	10	10% / above	10
06	Hukkeri (one unit)	10	10% / above	10
07	Saundatti (one unit)	10	10%/ above	10

5 to10 percent total employee is considered as sample size. Using convenience sampling technique primary data were collected; enough care was taken to make sample representative to the employee . Around 10 employee of each unit were interviewed at Random sample technique is used to get representative sample . To make the study more reliable and relevant opinion of the FPI,s employee were also been collected to find out effective marketing strategies.

The data so collected was properly classified , tabulated and interpreted with the help of efficiency indicators, ratios and indices that are devised for examining the effectiveness of the personnel policies and practices.

6. TENTATIVE CHAPTER SCHEME :

1) *First Chapter* Deal with Introduction And Methodology.

2) *Second Chapter*- Throw Light On Evolution And Growth Of Food Processing Units In India, In Karnataka And Belgaum District.

3) *Third Chapter*- Deals With Human Resources, Procurement Policies And Practice qs In Food Processing Units.

4) *Fourth Chapter*- Deals With Human Resources, Compensation Policies And Practices In Food Processing Units.

5 Fifth Chapter- Deals With Human Relation Policies And Practices In Food Processing Units

6)*Sixth Chapter*- Deals with Findings And suggestions.

7)Conclusion

8) Bibliography

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